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**GREEN MOUNTAIN CARE BOARD 2014 HOSPITAL BUDGET REVIEW  
BEGINS WITH INSTRUCTIONS FOR HOSPITALS TO TIGHTEN BELTS**

***Board encourages Vermonters to attend public hearings August 27-29***

The Green Mountain Care Board (GMCB) today completed its initial review of hospital budget submissions for hospital fiscal year 2014, which begins October 1, 2013. Before announcing final budget decisions in September, the GMCB will review in detail the submissions of all 14 Vermont hospitals and hold public hearings for each hospital August 27-29.

The GMCB's initial, high-level review of hospital budget submissions revealed that individual hospitals requested changes in net patient revenue ranging from a decrease of 11.5 percent to an increase of 6.2 percent in fiscal year 2014 (FY14). Net patient revenue includes payments hospitals received from patients, government, and insurers for patient care – but not revenues from other activities such as cafeterias, parking, and philanthropy.

Heading into the FY14 budgeting process, the GMCB instructed hospitals to cap net patient revenue growth at no more than three percent per year over each of the next three years. Despite the wide range in requested changes across hospitals, the average requested change in net patient revenue from the 14 hospitals came in at an increase of three percent.

“In general, this year’s budget submissions indicate that Vermont’s hospitals understand that we are serious about cost containment, and they are making real efforts to meet the needs of their communities while constraining cost growth,” said GMCB Chair Anya Rader Wallack.

The GMCB agreed to consider additional budget growth of up to one percent in FY14 if a hospital can prove that the additional money will result in “credible health reform proposals” intended to save money and improve care over the long term. In FY15, this extra allowance will fall to 0.8 percent, and in FY16 it will fall to 0.6 percent. Examples of investments that might be considered health reform projects include participation in pilot projects to test new ways to pay for health care, enhancement of primary care services in line with the state’s Blueprint for



Health, and collaborative efforts among different hospitals or medical groups to create more efficient systems of care.

The GMCB will hold public hearings August 27-29, with time allocated to discuss each hospital's budget with the hospital's administration and to hear public comment on both individual budgets and the general topic.

"Vermont's hospitals are vital to our communities, but health care costs are a major challenge for Vermonters and Vermont businesses," said Wallack. "We hope Vermonters will provide guidance about how we can balance cost control, access to services and quality of services."

Hospital budgets, which have been subject to review in Vermont since 1983, came under the authority of the GMCB in FY13 as part of the changes in Vermont's health system included in Act 48, the state's landmark health reform law.

Detailed information on hospital budgets – including documents from today's initial presentation of FY14 data – can be found on the "Hospitals Budget Review" section of the GMCB's website at: <http://gmcboard.vermont.gov/hospitalbudgets>

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